



INSURANCE FRAUD INVESTIGATION DIVISION

Kentucky Department of Insurance

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Fraud Statistics/Convictions Activity

September 2010

Fraud Statistics

	<u>Month/Sept</u>	<u>YTD</u>
Total Referrals Received.....	77	737
Closed Referrals.....	9	159
Open Cases (Investigations-includes prior years)		196
Assigned Cases (Investigations).....	5	157
Closed Cases (Investigations).....	27	158
Closed Cases (Investigations) Exceptionally Cleared – Declined by Prosecutor.....	4	19
Charges (4 felonies).....	4	115
Convictions (1 felony, 3 misdemeanors)	4	45
Restitution Ordered.....	\$35,513.87	\$1,019,220.22

* Includes \$27,511.00 that was seized in execution of search warrants of John Pennington's home and office in our WC file #2006-078 that court ordered to be turned over to KEMI that was not included in last month's restitution total.

Convictions Activity

James Robert Brooks – On Nov. 8, 2008, in Fayette County, James Brooks reported to his insurance company that during a burglary at his residence a bicycle described as a 2009 Giant Yukon valued at \$599.99 was stolen along with electronic items. Brooks presented a document as proof of purchase for the bicycle stating he purchased it from Pedal Power in Lexington. Investigation revealed that he did not purchase the bicycle from Pedal Power as he reported to

his insurance company. Brooks was charged with one felony count of fraudulent insurance acts over \$300. He pleaded guilty to the amended charge of criminal attempt fraudulent insurance acts and was sentenced to 12 months, which was suspended. He was placed on conditional discharge for two years.

Brent Hugh Croft – On June 2, 2007, Brent Croft reported to his employer that he had sustained an injury to his right shoulder while performing his job. As a result of this injury, a workers' compensation claim was filed and Croft received benefits which included payments for his medical treatments. Croft signed and dated forms stating that he was not receiving additional wages or that he was working. The investigation revealed that he had been working and receiving other income while receiving temporary total disability benefits. He received \$1,628.49 in benefits to which he was not entitled. Croft was charged with one felony count of fraudulent insurance acts. He pleaded guilty to the charge and was given supervised pre-trial diversion for five years and was ordered to pay restitution in the amount of \$2,828.52 to AIG.

Cynthia Croley – Between Dec. 5, 2007, and May 2, 2008, Cindy Croley wrote and submitted 61 forged applications for insurance to AFLAC. Croley admitted that she would use her family members' names and personal information but would use her address and would change it to quarterly billing after the first month's premium was paid out of her checking account. The policies would then lapse. Croley was paid \$15,490.00 in advance commissions. No claims were paid. She was charged with one felony count of fraudulent insurance acts. Croley pleaded guilty to the amended charge of fraudulent insurance acts under \$500 and was sentenced to 360 days in jail, which was conditionally discharged after two years. She also was ordered to pay restitution in the amount of \$5,174.34 to AFLAC.

Vernon Ratliff – On Feb. 4, 2009, Vernon Ratliff presented a fraudulent insurance card to the Jefferson County Clerk's Office in order to renew his vehicle registration. He was charged with one felony count of fraudulent insurance acts. Ratliff pleaded guilty to the amended charge of attempt fraudulent insurance acts over \$500 and was sentenced to 365 days in jail, conditionally discharged for two years. He was also ordered to pay \$300 to the Insurance Fraud Division for investigation expenses, which have been paid in full.